

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Etrali North America, LLC for  
Registration as an Interexchange Carrier  
Telephone Corporation pursuant to the  
Provisions of Public Utilities Code Section  
1013.

Application 16-04-008  
(Filed April 11, 2016)

**DECISION GRANTING ETRALI NORTH AMERICA, LLC, A CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE INTEREXCHANGE  
TELECOMMUNICATIONS SERVICE IN THE STATE OF CALIFORNIA****Summary**

This decision grants Etrali North America, LLC's application for a Certificate of Public Convenience and Necessity to operate as an interexchange telecommunications carrier in the state of California and closes this proceeding.

**1. Background**

Etrali North America, LLC (Etrali) is a Limited Liability Company (LLC), organized under the laws of the State of Delaware, and its principal place of business is located at 1500 Broadway, Suite 1901, New York, NY 10036. Etrali is currently registered to transact business in the State of California.

On April 11, 2016, Etrali North America, LLC (Etrali) filed this application with the Commission for an expedited registration as an interexchange telecommunications carrier and "telephone corporation" pursuant to the

Commission's registration process under the Public Utilities Code (Pub. Util. Code §) Section 1013.<sup>1</sup>

On May 31, 2016, the Commission determined that Etrali's application did not qualify for review under the registration process and accordingly Etrali's application was removed from the registration track and reassigned to the Administrative Law Judge (ALJ) Division. Etrali's application is therefore being evaluated as an application for a Certificate of Public Convenience and Necessity (CPCN) under § 1001.

## **2. Jurisdiction**

Pub. Util. Code § 216(a) defines the term "Public utility" to include a "telephone corporation," which in turn is defined in Pub. Util. Code § 234(a) as "every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state."

Etrali proposes to operate as an interexchange telecommunications carrier in the state of California. Accordingly, Etrali is a telephone corporation and a public utility, which is subject to the Commission's jurisdiction.

## **3. California Environmental Quality Act (CEQA)**

The CEQA requires the Commission act as the designated lead agency to assess the potential environmental impact of a project in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Since Etrali only seeks authority to provide non-facilities-based interexchange telecommunications service by interconnecting with other carriers' services, and does not intend to

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<sup>1</sup> All statutory references are to the California Public Utilities Code, unless otherwise indicated.

construct any facilities, it can be seen with certainty that granting this application will not have an adverse impact upon the environment. Before it can construct facilities other than installing equipment in existing buildings or structures, Etrali must file for additional authority, and submit to all necessary CEQA reviews.

#### **4. Financial Qualifications**

To be granted a CPCN, an applicant for authority to provide resold interexchange telecommunications service must demonstrate that it has a minimum of \$25,000 cash or cash equivalent, reasonably liquid and readily available in order to meet necessary start-up expenses.<sup>2</sup> An applicant must also demonstrate that it has sufficient additional resources to cover all deposits that may be required by other carriers in order to provide the proposed service.<sup>3</sup> In its application, Etrali provided documentation showing that it has at least \$25,000 available to meet its start-up expenses and additional financial resources to meet any deposits that may be required by other carriers in order to provide the proposed interexchange telecommunications service. Since Etrali demonstrated that it has adequate funds available that is reasonably liquid and available to meet its start-up expenses and/or deposits that may be required, Etrali meets the Commission financial requirements. Etrali's financial documentation shall be subject to verification and review by the Commission for one year from the date of this decision to ensure that such funds are available.

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<sup>2</sup> The financial requirement for Competitive Local Exchange Carriers (CLECs) is contained in D.95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIEC) is contained in D.91-10-041.

<sup>3</sup> The requirement for Competitive Local Carrier (CLC) applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying LECs and/or IECs is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

Additionally, Etrali must obtain a performance bond of at least \$25,000 in accordance with D.13-05-035.

## **5. Technical Qualifications**

To be granted a CPCN for authority to provide interexchange telecommunications service, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.<sup>4</sup> With its application, Etrali provided biographical information on its management staff that demonstrated that Etrali has sufficient expertise and training to operate as a telecommunications provider.

Additionally, Etrali verified that no one associated with or employed by Etrali as an affiliate, officer, director, partner, or owner of more than ten percent of Etrali: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of sections 17000 *et seq.*, 17200 *et seq.*, or 17500 *et seq.* of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (g) been found to have

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<sup>4</sup> D.95-12-056 at Appendix C, Rule 4.A.

violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) is being, or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

For the above reasons, we find that Etrali is in compliance with the requirements set forth by the Commission in D.95-12-056.

#### **6. Tariffs (De-tariffed Rates Authorized)**

Etrali stated that it would not offer local exchange or residential telecommunications services. Accordingly, Etrali requested a waiver from the Commission's requirement that carriers file their interchange tariff (describing their services, rates, and terms and conditions of those services) with the Commission, as permitted by General Order (GO) 96-B -Telecommunications Industry Rules (Telecommunications Rules)<sup>5</sup> with regards to the provision of de-tariffed services. Etrali's request is appropriate and it should be granted as further discussed below.

GO 96-B allows the Commission to grant exceptions "from the general requirement ... that a Utility serve its California customers under its filed tariffs," and such exceptions, allowing the Utility to provide de-tariffed service, may be granted to a specific Utility or type of Utility, or for specific services offered by

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<sup>5</sup> As authorized in D.07-09-019.

the Utility or type of Utility”.<sup>6</sup> The Commission has the discretion to permit Etrali to provide its services on a de-tariffed basis and require it to comply with the conditions contained in the GO 96-B with regards to the provision of such de-tariffed services. Etrali’s de-tariffing request is reasonable and is granted.

Pursuant to the Telecommunications Rules, Etrali must: (1) post all of its de-tariffed rates, terms, and conditions of service on an internet site pursuant to Rule 5.2 of GO 96-B; and (2) notify its customers of any service not provided under tariff, higher rates or charges, more restrictive terms or conditions, withdrawal of service, or transfer of ownership or customer base pursuant to Rule 5.3 of GO 96-B. Further, Etrali must post a description of its services and price list on its website, and file an Access Service tariff prior to billing any carriers for Intrastate Switched Access service.

## **7. Map of Service Territory**

To be granted a CPCN for authority to provide local exchange service, an applicant must provide a map of the service territories it proposes to serve.<sup>7</sup> Etrali indicated that it will only provide interexchange telecommunications service in California. Accordingly, this requirement is waived for Etrali.

## **8. Expected Customer Base**

The Commission’s Rules of Practice and Procedure (Rule) Rule 3.1 (j) requires CPCN applicants to provide **their estimated numbers of customers and their requirements for the first and fifth years of service**. Etrali provided its

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<sup>6</sup> See GO-96-B, Industry Rule 5, under “De-tariffed and Non-tariffed Service”.

<sup>7</sup> D.95-12-056 at Appendix C, Rule 4.E.

estimated customer base for the first and fifth years of operation in its Application. Therefore, Etrali has complied with this requirement.

#### **9. Requested Treatment as a Non-Dominant Carrier**

Etrali requests treatment as a non-dominant interexchange carrier, which would include exemption from the requirements of Pub. Util. Code §§ 816-830 concerning stocks and security and § 851 concerning the encumbrance and transfer of utility property. The Commission detailed its rules regarding exemption of non-dominant carriers in D.85-01-008, and subsequently modified in D.85-07-081 and D.85-11-044. We grant Etrali's request for non-dominant carrier status, provided Etrali follows all rules detailed in the above referenced decisions.

#### **10. Safety Considerations**

With the adoption of the *Safety Policy Statement of the California Public Utilities Commission* on July 10, 2014, the Commission has, among other things, heightened its focus on the potential safety implications of every proceeding. We have considered the potential safety implications here. Etrali is a public utility that is required, pursuant to Section 451, to "... furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public". Etrali has taken steps to meet the financial requirements set forth in D.95-12-056 in order to meet the Commission's goal of adequate, efficient, safe and reliable service to consumers, and we are satisfied that Etrali will meet the Commission's minimum safety goals and expectations of interexchange telephone carriers and/or telephone corporations.

**11. Issues Regarding Etrali's Application**

In its application, Etrali indicated that it began providing "intrastate private line services to customers in California in early 2012", as part of an ongoing operation in California.

On June 16, 2016, the ALJ issued a ruling requiring Etrali to explain and/or provide additional information in support of its application. Specifically, the ALJ directed Etrali to: (1) describe the nature of the intrastate private line telephone services it started providing in 2012 in California; (2) explain whether Etrali has proper authorization to provide the services; and (3) explain why Etrali should not be subject to a penalty pursuant to Section 2107 if the services were provided without Commission's authorization.

On July 6, 2016, Etrali responded to the ALJ and provided the requested information. As relevant, Etrali explained that:

[It] is not a telecommunications company, but rather a financial technology company that offers very limited point-to-point private line services as part of the financial trading solutions and services [that] Etrali provides to enterprise customers. Etrali is not a local exchange or mass-market provider, and has no residential subscribers. ... Significantly, Etrali [has been] treated as an end user by its communications providers, which carriers maintained responsibility for assessing applicable regulatory fees and surcharges to Etrali and remitting such fees and surcharges to the appropriate governmental authorities.

Further, Etrali explained that it recently became acquired by IPC Systems, Inc. (IPC), a provider of specialized communications solutions for the financial services industry, and that consistent with IPC's policy to have its subsidiaries obtain certification where available under applicable law, Etrali is voluntarily seeking a CPCN from the Commission.



The response provided by Etrali shows that Etrali provided its point-to-point private line communications services to enterprise customers in combination with Etrali's other financial industry-specific compliance services, which include voice-recording, archiving, and monitoring service. Prior to this instant application, Etrali had regarded itself as an end user of the point-to-point private line services (which it purchased from certificated carriers), and as such, Etrali did not apply for certification from the Commission.

The record of this proceeding fails to show that Etrali required a CPCN either for the point-to-point private line services it provided, or the financial trading solutions it provided to its enterprise customers in California since 2012. This record shows that: (1) Etrali does not provide and has not provided local exchange telecommunications service to customers in California; and (2) the point-to-point private line services Etrali provided to its customers in California were purchased by Etrali from other carriers who hold requisite Commission's CPCN and/or authorization. As an end user, it is not established that Etrali was required to obtain Commission's certification.

Therefore, it cannot be established that Etrali violated any requirements of the Commission, its laws, rules, directions, demands, general orders. Accordingly, this record cannot support a conclusion that Etrali should be subject to a penalty pursuant to Section 2107. Finally, Etrali's application is not protested.

## **12. Conclusion**

Based on a review of its application, Etrali conforms to our rules for certification as an interexchange carrier. Accordingly, we grant Etrali a CPCN to operate as an interexchange telecommunications carrier, and to provide

interexchange telecommunications service in the state of California, subjects to the terms and conditions set forth in the Ordering Paragraphs below.

The CPCN granted by this decision provides benefits to Etrali and corresponding obligations. Etrali receives authority to operate as an interexchange telecommunications carrier in California, and to interconnect with other telecommunications carriers in accordance with Section 251 of the Federal Communications Act (47 U.S.C. 251), and it receives access to public rights of way in California as set forth in D.98-10-058 subject to the CEQA requirements set forth in this decision. In return, Etrali is obligated to comply with all applicable Public Utilities Codes and Commission Rules, General Orders and decisions applicable to telecommunications carriers providing approved services. The applicable Codes, Rules, General Orders, and decisions include, but are not limited to, consumer protection rules, tariffing, and reporting requirements. Moreover, Etrali is obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in the Appendix B of this decision, to comply with CEQA, and to adhere to Section 451 which states that every public utility "...shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in Section 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

For the above reasons, we find that Etrali is in compliance with the requirements of D.95-12-056 for a CPCN.

### **13. Request to File Under Seal**

Pursuant to Rule 11.4, Etrali has filed motions for leave to file: (1) Exhibit 8 to its Application; and (2) the unredacted version of its July 6, 2016 "Response to

ALJ Ruling Requiring Additional Information” (Response to the ALJ) as confidential materials under seal. Etrali represents that the information contained in these documents are confidential financial, commercially-sensitive and proprietary information, which disclosure would cause Etrali significant and irreparable harm. The Commission has granted similar requests in the past and, here also, Etrali’s request is granted for three years.

#### **14. Categorization and Need for Hearings**

In Resolution ALJ 176-3376, dated April 21, 2016, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received, and there are no apparent reasons why the application should not be granted. Given these facts, a public hearing is not necessary, and it is not necessary to disturb the preliminary determinations.

#### **15. Comments on Proposed Decision**

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is waived

#### **16. Assignment of Proceeding**

Liane M. Randolph is the assigned Commissioner and Adeniyi A. Ayoade is the assigned ALJ in this proceeding.

#### **Findings of Fact**

1. On April 11, 2016, Etrali filed Application 16-04-008 for authorization to operate as an interexchange carrier telephone corporation in order to provide interexchange telecommunications service in California.

2. In its application, Etrali did not request authorization to provide

competitive local exchange telecommunications service in California.

3. Notice of the application appeared on the Commission's Daily Calendar on April 14, 2016.

4. No protest was filed to Application 16-04-008.

5. Etrali is a telephone corporation and a public utility as defined in Pub. Util. Code §§ 234(a) and 216(a).

6. Etrali's authority to operate as an interexchange telecommunications carrier in the state of California will not have a significant adverse effect upon the environment.

7. Etrali has a minimum of \$25,000 of cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.

8. Etrali has sufficient additional cash or cash equivalent to cover deposits that may be required by other telecommunications carriers in order to provide the proposed service.

9. Etrali's management possesses sufficient experience, knowledge, and technical expertise to provide interexchange telecommunications service to the public.

10. No one associated with or employed by Etrali as an affiliate, officer, director, partner, agent, or owner of more than ten percent of Etrali: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these

positions with a company that has entered into settlement of criminal or civil claims involving violations of sections 17000 *et seq.*, 17200 *et seq.*, or 17500 *et seq.* of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) is being, or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

11. It is reasonable to grant Etrali's request to provide its services on a de-tariffed basis and to require that Etrali comply with the Telecommunications Rules regarding the provision of de-tariffed services by telephone corporations as contained in GO 96-B and authorized in D.07-09-019.

12. It is reasonable to grant Etrali's request for non-dominant carrier status, provided Etrali follows all rules detailed in Decision 85-01-008, and modified in Decision 85-07-081 and Decision 85-11-044.

13. It is reasonable to grant Etrali's motions to place Exhibit 8 to its Application, and the unredacted version of its July 6, 2016 Response to the ALJ under seal as confidential materials.

14. Etrali is not required to provide a map of the location of its proposed service territory as Etrali will not provide local exchange telecommunications service in California.

15. Etrali provided an estimate of its customer base for the first and fifth year of operation.

16. An evidentiary hearing is not required in this proceeding.

### **Conclusions of Law**

1. Etrali should be granted a CPCN in order to provide interexchange telecommunications service in California subject to the terms and conditions set forth in the Ordering Paragraphs.

2. Etrali should be subject to all applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

3. Etrali's should be authorized to provide its services on a de-tariffed basis, and be required to comply with the Telecommunications Rules regarding the provision of de-tariffed services by telephone corporations as contained in GO 96-B and authorized in D.07-09-019.

4. Etrali should be granted leave to place Exhibit 8 to its Application, and the unredacted version of its July 6, 2016 Response to the ALJ under seal for three years as confidential materials.

5. Etrali should be granted non-dominant carrier status, subject to Commission rules and regulations detailed in D.85-01-008, and as modified in D.85-07-081 and D.85-11-044.

6. This proceeding does not require an evidentiary hearing.

7. This proceeding should be closed.

### **O R D E R**

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to Etrali North America, LLC, to operate as an interexchange carrier telephone

corporation and provide interexchange telecommunications service in California subject to the terms and conditions set forth below.

2. Etrali North America, LLC, is not authorized to provide competitive local exchange telecommunications service in California.

3. Etrali North America, LLC, is authorized to provide its interexchange telecommunications service in California on a de-tariffed basis, and required to comply with the Telecommunications Rules regarding the provision of de-tariffed services by telephone corporations as contained in General Order 96-B and authorized in Decision 07-09-019.

4. The corporate identification number U-7316-C assigned to Etrali North America, LLC, must be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

5. Etrali North America, LLC, (Etrali) must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (*i.e.*, there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, Etrali must submit a Tier-1 advice letter to the Director of the Communications Division, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 31<sup>st</sup>, with a copy of the executed bond.

6. Etrali North America, LLC, must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a Certificate of Public Convenience and Necessity if a carrier is more than 120 days late in providing the Director of the

Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

7. In addition to all the requirements applicable to competitive local exchange carriers and/or interexchange carriers included in Attachments B, C, and D to this decision, Etrali North America, LLC, is subject to the Consumer Protection Rules contained in General Order 168, and all applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

8. The certificate granted by this order will expire if not exercised within 12 months of the effective date of this order. Etrali North America, LLC, must file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order. Written acceptance filed in this docket shall not reopen this proceeding.

9. Etrali North America, LLC, must pay the public purpose surcharges specified in Attachment B, and the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

10. Etrali North America, LLC, must pay a minimum annual user fee of \$100 or 0.23 percent of gross intrastate revenue, whichever is greater. Under Section 405, carriers that are in default of reporting and submitting user fees for a period of 30 days or more will be subject to penalties including suspension or revocation of their authority to operate in California.

11. Prior to initiating service, Etrali North America, LLC, must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints.



This information must be updated if the name or telephone number changes, or at least annually.

12. Prior to initiating service, Etrali North America, LLC, must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at <http://www.cpuc.ca.gov/communications>. This information must be updated if the name or telephone number changes, or at least annually.

13. Etrali North America, LLC, must file an affiliate transaction report with the Director of the Communications Division, in compliance with Decision 93-02-019, on a calendar year basis using the form contained in Attachment D to this decision.

14. Etrali North America, LLC, must file an annual report with the Director of the Communications Division, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

15. Etrali North America, LLC (Etrali)'s motion to place Exhibit 8 to its application, and the unredacted version of its July 6, 2016 Response to the Administrative Law Judge (ALJ) under seal is granted for a period of three years after the date of this order. During this three year period, this information shall not be publicly disclosed except on further Commission order or ALJ ruling. If Etrali believes that it is necessary for this information to remain under seal for longer than three years, Etrali may file a new motion showing good cause for extending this order by no later than 30 days before the expiration of this order.

16. Etrali North America, LLC, is granted non-dominant carrier status, subject to Commission rules and regulations as detailed in D.85-01-008 and modified in D.85-07-081 and D.85-11-044.

17. Application 16-04-008 is closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.

**ATTACHMENT A**

**Tariffs**

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**(END OF ATTACHMENT A)**

## ATTACHMENT B

### REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS AND INTEREXCHANGE CARRIERS

1. Applicant must file, in this docket with reference to this decision number,<sup>8</sup> a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. The certificate granted and the authority to render service under the rates, charges and rules authorized will expire if not exercised within 12 months of the date of this order.

3. Applicant is subject to the following fees and surcharges that must be regularly remitted. Per the instructions in Exhibit E to Decision (D.) 00-10-028, the Combined California PUC Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

- a. The Universal Lifeline Telephone Service Trust  
Administrative Committee Fund (Pub. Util. Code § 879);
- b. The California Relay Service and Communications Devices  
Fund (Pub. Util. Code § 2881; D.98-12-073);
- c. The California High Cost Fund-A (Pub. Util. Code § 739.3;  
D.96-10-066, at 3-4, App. B, Rule 1.C);
- d. The California High Cost Fund-B (D.96-10-066, at 191,  
App. B, Rule 6.F.; D.07-12-054);
- e. The California Advanced Services Fund (D.07-12-054);
- f. The California Teleconnect Fund (D.96-10-066, at 88,  
App. B, Rule 8.G).
- g. The User Fee provided in Pub. Util. Code §§ 431-435. The  
minimum annual User Fee is \$100, as set forth in D.13-05-  
035.

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<sup>8</sup> Written acceptance filed in this docket does not reopen the proceeding.

Note: These fees change periodically. In compliance with Resolution T-16901, December 2, 2004, Applicant must check the joint tariff for surcharges and fees filed by Pacific Bell Telephone Company (dba AT&T California) and apply the current surcharge and fee amounts in that joint tariff on end-user bills until further revised. Current and historical surcharge rates can be found at <http://www.cpuc.ca.gov/General.aspx?id=1124>.

- Carriers must report and remit CPUC telephone program surcharges online using the CPUC Telecommunications and User Fees Filing System (TUFFS). Information and instructions for online reporting and payment of surcharges are available at <http://www.cpuc.ca.gov/General.aspx?id=1010>. To request a user ID and password for TUFFS online filing and for questions, please e-mail [Telco\\_surcharges@cpuc.ca.gov](mailto:Telco_surcharges@cpuc.ca.gov).
- Carriers must file and pay the PUC User Fee (see above item 3g) upon receiving the User Fee statement sent by the Commission. Instructions for reporting and filing are available at <http://www.cpuc.ca.gov/General.aspx?id=1009>. Please call (415) 703-2470 for questions regarding User Fee reporting and payment.

4. If Applicant is a competitive local exchange carrier (CLC), the effectiveness of its future tariffs is subject to the requirements of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

5. If Applicant is a non-dominant interexchange carrier (NDIEC), the effectiveness of its future NDIEC tariffs is subject to the requirement of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

6. Tariff filings must reflect all fees and surcharges to which Applicant is subject, as reflected in #3 above.

7. Applicant must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a

continuous bond (i.e., there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, Applicant must submit a Tier-1 advice letter to the Director of Communications, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 31, with a copy of the executed bond.

8. Applicant must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Director of the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

9. Applicant must file a service area map as part of its initial tariff.

10. Prior to initiating service, Applicant must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name or telephone number changes, or at least annually.

11. Applicant must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at <http://www.cpuc.ca.gov/communications>. This information must be updated if the name or telephone number changes, or at least annually.

12. Applicant must notify the Director of the Communications Division in writing of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

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14. Applicant must keep its books and records in accordance with the Generally Accepted Accounting Principles.

15. In the event Applicant's books and records are required for inspection by the Commission or its staff, it must either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to its office.

16. Applicant must file an annual report with the Director of the Communications Division, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

17. Applicant must file an affiliate transaction report with the Director of the Communications Division, in compliance with D.93-02-019, on a calendar-year basis using the form contained in Attachment D.

18. Applicant must ensure that its employees comply with the provisions of Pub. Util. Code § 2889.5 regarding solicitation of customers.

19. Within 60 days of the effective date of this order, Applicant must comply with Pub. Util. Code § 708, Employee Identification Cards, and notify the Director of the Communications Division in writing of its compliance.

20. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fee listed in #3 above, and has not received written permission from the Communications Division to file or remit late, the Communications Division must prepare for Commission consideration a resolution that revokes Applicant's CPCN.

21. Applicant is exempt from Rule 3.1(b) of the Commission Rules of Practice and Procedure

22. Applicant is exempt from Pub. Util. Code §§ 816-830.

23. Applicant is exempt from the requirements of Pub. Util. Code § 851 for the transfer or encumbrance of property whenever such transfer or encumbrance serves to secure debt.

24. If Applicant decides to discontinue service or file for bankruptcy, it must immediately notify the Communications Division's Bankruptcy Coordinator.

25. Applicant must send a copy of this decision to concerned local permitting agencies no later than 30 days from the date of this order.

**(END OF ATTACHMENT B)**



## ATTACHMENT C

### ANNUAL REPORT

An original and a machine readable, copy using Microsoft Word or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

Failure to file this information on time may result in a penalty as provided for in Pub. Util. Code §§ 2107 and 2108.

Required information:

1. Exact legal name and U # of the reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (*e.g.*, corporation, partnership, sole proprietorship, etc.).

If incorporated, specify:

- a. Date of filing articles of incorporation with the Secretary of State.
- b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:
  - a. Regulated public utility.
  - b. Publicly held corporation.
10. Balance sheet as of December 31st of the year for which information is submitted.
11. Income statement for California operations for the calendar year for which information is submitted.

12. Cash Flow statement as of December 31<sup>st</sup> of the calendar year for which information is submitted, for California operations only.

For answers to any questions concerning this report, call (415) 703-2883.

**(END OF ATTACHMENT C)**

## ATTACHMENT D

### CALENDAR YEAR AFFILIATE TRANSACTION REPORT

An original and a machine readable, copy using Microsoft Word and Excel, or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than May 1st of the year following the calendar year for which the annual report is submitted.

1. Each utility must list and provide the following information for each affiliated entity and regulated subsidiary that the utility had during the period covered by the Annual Affiliate Transaction Report.

- Form of organization (*e.g.*, corporation, partnership, joint venture, strategic alliance, etc.);
- Brief description of business activities engaged in;
- Relationship to the utility (*e.g.*, controlling corporation, subsidiary, regulated subsidiary, affiliate);
- Ownership of the utility (including type and percent ownership)
- Voting rights held by the utility and percent; and
- Corporate officers.

2. The utility must prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries in #1 above. The chart must have the controlling corporation (if any) at the top of the chart, the utility and any subsidiaries and/or affiliates of the controlling corporation in the middle levels of the chart, and all secondary subsidiaries and affiliates (*e.g.*, a subsidiary that in turn is owned by another subsidiary and/or affiliate) in the lower levels. Any regulated subsidiary must be clearly noted.

3. For a utility that has individuals who are classified as “controlling corporations” of the competitive utility, the utility must only report under the requirements of #1 and #2 above any affiliated entity that either (a) is a public utility or (b) transacts any business with the utility filing the annual report excluding the provision of tariff services.

4. Each annual report must be signed by a corporate officer of the utility stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

5. Any required material that a utility is unable to provide must be reasonably described and the reasons the data cannot be obtained, as well as the efforts expended to obtain the information, must be set forth in the utility’s Annual Affiliate Transaction Report and verified in accordance with Section I-F of Decision 93-02-019.

6. Utilities that do not have affiliated entities must file, in lieu of the annual transaction report, an annual statement to the Commission stating that the utility had no affiliated entities during the report period. This statement must be signed by a corporate officer of the utility, stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

**(END OF ATTACHMENT D)**